

**OmniCare Health Plan
Pro Forma Financial Statements**

	FY2000 Historical	FY 2001 Historical	Restructure BS and CF	FY 2002 Budget	FY 2003 Projection	FY 2004 Projection	FY 2005 Projection	FY 2006 Projection
BALANCE SHEET								
Current Assets								
Cash and Cash Equivalents	\$3,763	\$24,872	\$7,378	\$12,227	\$17,663	\$21,966	\$26,160	\$30,807
Premiums Receivable	3,233	4,156	4,156	4,099	5,538	6,579	7,671	8,944
Allowance for Doubtful Accts	(2,386)	(1,764)	(1,764)	0	0	0	0	0
Provider Receivable	6,373	2,734	1,034	1,034	0	0	0	0
State and Federal Government Receivable	4,058	1,697	1,697	1,096	1,129	1,163	1,198	1,234
Due from Affiliate	385	2,991	2,991	0	0	0	0	0
Other Receivable	774	782	782	805	830	855	880	880
Accrued Interest Receivable	16	19	19	19	19	19	19	19
Total Current Assets	16,216	35,487	16,293	19,281	25,178	30,582	35,927	41,885
Property and Equipment								
Equipment Class 3	0	0	0	1,500	1,650	1,800	1,950	2,100
less Accumulated Depreciation	0	0	0	(150)	(465)	(810)	(1,185)	(1,590)
Total Property and Equipment, Net	0	0	0	1,350	1,185	990	765	510
Other Assets								
Investment in Joint Venture and Subsidiary	358	399	399	399	399	399	399	399
Restricted Investments	1,082	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Total Other Assets	1,440	1,399	1,399	1,399	1,399	1,399	1,399	1,399
TOTAL ASSETS	\$17,656	\$36,886	\$17,692	\$22,030	\$27,762	\$32,971	\$38,091	\$43,794
LIABILITIES AND SHAREHOLDER'S EQUITY								
Current Liabilities								
Providers Payable	\$20,765	\$88,234	\$22,354	\$21,712	\$23,796	\$25,728	\$27,701	\$29,858
Accounts Payable	366	2,854	1,695	2,268	2,369	2,537	2,720	2,911
Total Current Liabilities	21,131	91,088	24,049	23,980	26,165	28,264	30,421	32,769
Other Liabilities								
Related Party Payable	2,742	0	0	0	0	0	0	0
Advance Payment Due to Affiliate	2,000	0	0	0	0	0	0	0
Total Other Liabilities	4,742	0	0	0	0	0	0	0
TOTAL LIABILITIES	25,873	91,088	24,049	23,980	26,165	28,264	30,421	32,769
FUND BALANCES/EQUITY								
Surplus Notes	17,300	17,300	27,560	27,560	27,560	27,560	27,560	27,560
Change in Non-Admitted Assets	0	0	0	0	0	0	0	0
Temporarily Restricted	0	0	0	0	0	0	0	0
Unrestricted Fund Balance/Equity	(25,517)	(71,502)	(33,917)	(29,510)	(25,963)	(22,854)	(19,890)	(16,536)
TOTAL FUND BALANCES/EQUITY	(8,217)	(54,202)	(6,357)	(1,950)	1,597	4,706	7,670	11,024
TOTAL LIABILITIES AND FUND BALANCES/EQUITY	\$17,656	\$36,886	\$17,692	\$22,030	\$27,762	\$32,971	\$38,091	\$43,794
Proof	0	0	0	0	0	0	0	0

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INCOME STATEMENT								
Operating Revenues								
Medicaid	\$115,737	\$143,443	\$0	\$133,350	\$137,351	\$141,471	\$145,715	\$150,087
Commercial	55,010	41,063	0	42,749	57,751	68,608	79,997	93,277
POS	0	8,853	0	3,226	0	0	0	0
Investment	2,561	419	0	431	444	457	471	485
Net Operating Revenues	173,308	193,777	0	179,757	195,546	210,537	226,184	243,849
Equity in JV	0	119	0	122	126	130	134	138
Other Revenue	0	213	0	198	215	232	249	268
Total Revenues	173,308	194,109	0	180,077	195,887	210,898	226,566	244,255
Medical Expenses								
PCP Services	38,985	43,873	0	19,901	21,993	23,498	25,030	26,727
Specialist Services	0	0	0	22,470	24,069	25,790	27,541	29,482
Hospital Services	87,040	96,153	0	77,103	82,853	87,905	93,054	98,711
Pharmacy Services	27,172	27,380	0	30,374	36,148	41,540	46,969	52,901
Reinsurance	532	480	0	419	486	555	623	702
Other Medical Expenses	9,832	14,996	0	7,300	7,930	8,474	9,027	9,640
Total Medical Expenses	163,561	182,882	0	157,567	173,480	187,761	202,245	218,164
S, G, & A Expenses								
Management Fee Expense	22,545	24,510	0	358	0	0	0	0
Personnel	0	0	0	11,423	12,165	12,530	12,906	13,293
Sales & Marketing	0	0	0	915	2,117	2,826	3,651	4,610
Administrative	0	0	0	3,663	2,561	2,735	2,911	2,995
Non-Capitalized Goods	0	0	0	644	683	724	767	813
Professional Services	0	0	0	1,183	1,291	1,334	1,378	1,425
Travel & Entertainment	0	0	0	208	401	425	451	478
Total S, G, & A Expenses	22,545	24,510	0	18,394	19,217	20,575	22,065	23,614
Depreciation	0	0	0	150	315	345	375	405
Amortization	0	0	0	0	0	0	0	0
Total Operating Expenses	186,106	207,393	0	176,111	193,012	208,681	224,685	242,183
Net Available from Operations	(12,798)	(13,283)	0	3,966	2,875	2,217	1,881	2,072
Other Items								
Interest Income	0	0	0	441	673	892	1,083	1,282
Other Expenses	(3,583)	(497)	0	0	0	0	0	0
Pretax Income	(16,381)	(13,780)	0	4,407	3,547	3,109	2,964	3,354
Net Income Tax (Payable)/benefit	0	0	0	0	0	0	0	0
Net Income	(\$16,381)	(\$13,780)	\$0	\$4,407	\$3,547	\$3,109	\$2,964	\$3,354
EBIT	(\$16,381)	(\$13,780)	\$0	\$3,966	\$2,875	\$2,217	\$1,881	\$2,072
EBITDA	(\$16,381)	(\$13,780)	\$0	\$4,116	\$3,190	\$2,562	\$2,256	\$2,477

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CASH FLOW STATEMENT								
Beginning Cash	\$4,600	\$8,299	\$24,872	\$7,378	\$12,227	\$17,663	\$21,966	\$26,160
Add: Net Income	(16,381)	(13,780)	0	4,407	3,547	3,109	2,964	3,354
Add: Depreciation Expense	0	0	0	150	315	345	375	405
Subtract: Net Ongoing Cash capital Exp	0	0	0	(1,500)	(150)	(150)	(150)	(150)
<i>Working Capital Change:</i>								
Change in Current Assets:								
Net Accounts Receivable	(847)	(1,545)	0	(1,707)	(1,439)	(1,041)	(1,092)	(1,273)
Provider Receivable	(6,373)	3,639	1,700	0	1,034	0	0	0
State and Federal Government Receivable	(4,058)	2,361	0	601	(33)	(34)	(35)	(36)
Due from Affiliate	(385)	(2,606)	0	2,991	0	0	0	0
Other Receivable	(774)	(8)	0	(23)	(24)	(25)	(26)	0
Accrued Interest Receivable	(16)	(3)	0	0	0	0	0	0
Change in Current Liabilities:								
Providers Payable	20,765	67,469	(65,880)	(642)	2,084	1,932	1,973	2,157
Capitation Withhold	0	0	0	0	0	0	0	0
Accrued Liability - FEHBP	0	0	0	0	0	0	0	0
Accounts Payable	366	2,488	(1,159)	573	101	167	184	191
Total Change in Working Capital	8,678	71,795	(65,339)	1,792	1,724	999	1,004	1,039
Operating Cashflow	(7,703)	58,015	(65,339)	4,849	5,436	4,303	4,193	4,648
Change in Other Assets								
Investment in Joint Venture and Subsidiary	(358)	(41)	0	0	0	0	0	0
Restricted Investments	(1,082)	82	0	0	0	0	0	0
Total Change in Other Assets	(1,440)	41	0	0	0	0	0	0
Change in Other Liabilities								
Related Party Payable	2,742	(2,742)	0	0	0	0	0	0
Advance Payment Due to Affiliate	2,000	(2,000)	0	0	0	0	0	0
Other Liabilities	0	0	0	0	0	0	0	0
Total Change in Other Liabilities	4,742	(4,742)	0	0	0	0	0	0
Ongoing Cash Flow	(4,401)	53,314	(65,339)	4,849	5,436	4,303	4,193	4,648
Recapitalization								
Write-Off of Surplus Notes			(14,000)					
Additional Paid-In Capital	12,700	0	61,845	0	0	0	0	0
Increase in Cash	8,299	53,314	(17,494)	4,849	5,436	4,303	4,193	4,648
Beginning Cash Balance	0	3,763	24,872	7,378	12,227	17,663	21,966	26,160
Increase (Decrease) in Cash	8,299	53,314	(17,494)	4,849	5,436	4,303	4,193	4,648
Ending Cash Balance	\$8,299	\$57,077	\$7,378	\$12,227	\$17,663	\$21,966	\$26,160	\$30,807